

# **MAINE GAMBLING CONTROL BOARD**

**February 18, 2014**

**09:00 – 11:00**

**Gambling Control Board Room**

**45 Commerce Drive Suite 3**

**Augusta, Maine 04330**

Meeting opened at 9:00 am

**Board members present:** Tim Doyle Chair, Barbara Dresser, Matt Dyer, Joe Laliberte

**Staff present:** Office Specialist I Janine Collins, Detective Don Armstrong, Inspector Supervisor Vicki Gardner, Executive Director Patrick Fleming.

**Legal counsel present:** Assistant Attorney General Lauren LaRochelle

## **Introductions:**

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

## **Review of the minutes 01/21/2014**

**Motion to accept the minutes as presented: Matt Dyer, Board Member**

**Seconded: Joe Laliberte, Board Member**

**Vote: Unanimous**

**Executive Director Report** – Legislature – the Gambling Bills that Executive Director Fleming had discussed at last month's meeting have been voted out of committee. All but one of the bills were voted ought not to pass but none of them were unanimous. They will all be sent to the House and Senate with a divided report which will open them up to be discussed on the floor. The only bill that was voted ought to pass, but not unanimous, was LD 31 the bill that would allow slot machines in veteran's organizations. This bill was amended to reduce the number of total machines from 250 to 150 and it also reduced the licensing fees.

There has also been a DPS bill introduced that will take some of the revenue generated by the casinos that is slated to go to the general fund and will send the monies to the Gambling Control Board first to pay for the Scientific Games contract. As you know the contract is based on a percentage of play and budgeting for that is very difficult. If this bill goes through it will make it easier to manage the budget for the Board. When this bill was drafted it was combined with a State Police proposal to change the funding for fingerprinting teachers therefore the initial committee hearing was in front of the education committee. After some confusion as to why the bill ended up there the committee decided to send it to the Veterans and Legal Affairs committee. It will now have to go through the process in VLA.

**Rules** – On February 3<sup>rd</sup> the Gambling Control Board officially took over the Self-Exclusion list for the state. A process has been set up for the Inspectors to submit any exclusions they receive and a process has been set up for submissions by the representatives of the Office of Substance Abuse and Mental Health. Both processes set up were to provide the most secure way of transmitting the forms as well as providing the most expeditious way of getting them submitted. We will be using the Biometrica system to get the exclusions out to the casinos and tests were run prior to the implementation to be sure it will work. We have taken our first real self-exclusions at each casino and sent it out to the casinos and Inspectors and the process worked as designed. The Office of Substance Abuse and Mental Health Services put out a press release on Friday February 14, 2014 regarding the change in the self-exclusion process and where people can go to exclude.

**FBI Audit** – As he informed the Board at the last meeting we were asked by the FBI to put a disclosure on our applications so the person submitting fingerprints would know they are being check through the FBI database. He has done that and the Board has copies to show you how that was incorporated into the application.

Progressives – Each casino now has linked progressives to offer their patrons. Linked progressives are when a bank of machines are connected and each time a machine is played a percentage is electronically set aside so if a patron hits a certain combination they will win the jackpot that has been collecting from all the machines connected. Both casinos have been working with Scientific Games to make sure that the technology is in place for Scientific Games to monitor the progressives and jackpots.

East Coast Gaming Congress – Executive Director Fleming has been invited to sit on a panel at the 18<sup>th</sup> annual East Coast Gaming Congress that will be discussing gambling in New England. The panel is entitled: “New England: Expansion Continues Amid Opposition Successes” The discussion will focus on the expansion of gambling in New England but also the successful efforts to defeat gambling in the region. He was invited to sit on the panel because of Maine’s history with gambling. The panel will be held in Atlantic City on May 20<sup>th</sup>, which is a Board meeting day. He brings this up because if the Board would like him to appear on this panel either our meeting will have to be changed or held without him.

On February 19<sup>th</sup> Executive Director Fleming presented Board members Laliberte and Dresser to the Veterans and Legal Affairs Committee for confirmation hearings on their reappointment to the Board.

**Financial Update: Executive Director Patrick Fleming** financial packet contains tax revenue comparisons for the first calendar month of 2014 compared with the first calendar month of 2013. January 2014 tax revenue was actually 2% lower than in January 2013. A significant contributing factor to this decline continues to be weather.

A graphic representation comparing monthly tax between the first 7 months of fiscal year 2013 and fiscal year 2014 is also included for each analysis. The blue line plots monthly tax revenue through in fiscal year 2013 and the red line plots monthly revenue in fiscal year 2014. Both years show a consistent pattern with the highest revenue occurring in July and August and tapering off in September, October, November and December followed by an upturn in January.

Monthly distributions of tax revenue as well as year-to-date distributions are available on the Gambling Control Board web site.

(Attached spreadsheet)

Since we are only partially through the first quarter of calendar year 2014, it is premature to analyze 2014 quarterly slot machine hold compliance.

The Auditors continue to collect and analyze this data on a daily basis and monitor for any corrective action that may be needed.

#### **Audit program**

Auditor Tobey’s returned to her position on a part time basis on January 22nd and resumed a full time schedule on February 3rd. As I expected, the day-to-day re-familiarization process has gone very smoothly and preliminary audit communications with Oxford Casino are already underway.

As always, the Auditors welcome your feedback and suggestions.

**State Police Update –Detective Don Armstrong.** He has been working on wrapping up investigations. 44 licenses were printed, 51 were submitted for approval and 86 are still pending. Two criminal investigations were investigated, 1 bet capping for \$400 subject was summonsed. 1 Theft of \$1000 from another patron, He is attempting to locate that individual.

Oxford had 10 calls for service and Bangor had 16 calls for service.

#### **Unfinished Business:**

**Gambling Control Annual Report-** Motion to accept Annual Report as submitted Joe Laliberte

Seconded: Matt Dyer

Vote Unanimous

#### **Rules Review-**

##### **Chapter 2 Licenses and Applications**

**There was no public comment on this rule**

**Motion to accept the Basis Statement as submitted with the change to the Application Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 3 Control of Licenses**

**There was public comment on this rule regarding the shared finances**

**Discussion: . There was much discussion among Board members on who falls under the shared finances whether it is family members that reside in the same household, or business partners, share holders.**

**After discussing all aspects of this the Board Tabled this rule.**

### **Chapter 4 Licensee Records**

**Motion to accept with the change to 120 days: Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 5 Maine Internal Controls**

**Motions to approve with the recommended changes: Matt Dyer**

**Seconded: Joe Laliberte**

**Vote: Unanimous**

### **Chapter 6 Ticket Redemption**

**Motion to approve as submitted: Joe Laliberte**

**Seconded: Barbara Dresser**

**Vote: Unanimous**

### **Chapter 7 Collection of Payments**

**Motion to approve as submitted: Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 8 Slot Machine and Table Games Location and Hours of operation**

**Motion to approve as submitted: Joe Laliberte**

**Seconded: Barbara Dresser**

**Vote: Unanimous**

### **Chapter 10 Slot Machine Maintenance**

**Change the basis statement to match the MICS**

**Motion to change to match the basis statement to match the MICS Matt Dyer**

**Seconded: Joe Laliberte**

**Vote: Unanimous**

### **Chapter 11 Transportation of Slot Machines and Table Games**

**Motion to accept as submitted: Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 14 Advertising**

**Motion to accept as submitted Joe Laliberte**

**Seconded; Matt Dyer**

**Vote: Unanimous**

### **Chapter 18 Responsible Gaming Programs**

**Motion to accept as submitted Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 20 Slot Machine Standards**

**Motion to accept as submitted Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

### **Chapter 23 Gambling Addiction Counseling Services**

**Motion to accept as submitted Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

**Chapter 25 Approval of Table Game Rules of Play**

**Motion to accept as submitted Joe Laliberte**

**Seconded: Matt Dyer**

**Vote: Unanimous**

**Chapter 27 Rule of Practice and Procedure of Gaming Conduct**

**Sec 1(1) Ok**

**Sec 1(2) Ok**

**Sec 1(3) Lengthy discussion on this section about striking this section from the rule, or how this section would work. The Board decided to table this section until the next meeting.**

**New Business: Employee License Review**

**Hopkins Application license review. Mr Hopkins disclosed the information about the theft on his application and when he was interviewed by Det. Armstrong.**

**Motion to approve the application of Mr. Hopkins suitable for licensure. Matt Dyer**

**Seconded: Joe Laliberte**

**Vote: Unanimous**

**Public Comment:**

John Osborne, GM for Hollywood Casino Bangor stated that this is his final meeting since he is retiring from Penn National and that Jose Flores will be the new GM for Hollywood Casino Bangor.

Vice President Hussain Marrouse is also moving up in the Penn National and is moving to Ohio.

The Board wished Mr. Osborne good luck in his retirement.

**Meeting Adjourned: 11:55am**

**Motion: to adjourn Matt Dyer**

**Second: Joe Laliberte**

**Vote: Unanimous**

Next meeting is **March 18, 2014 at 45 Commerce Drive Augusta, Maine.**

Respectfully submitted, Janine Collins, Office Specialist I